

Small Business Investment Grant Fund

Eligible Investor Certification Application Form Certification for Calendar Year 2012

Data Privacy Notice: per Virginia Stat. § 2.2-3711(A)(5), data provided in this application is nonpublic data; certain information becomes public upon certification as a qualified small business, as determined by the Virginia Department of Business Assistance.

Section I. Investor Identifying Information

Name: _____
First M.I. Last

Street Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Email: _____

Section II. Qualifications for Eligible Investor

Yes

No

1. Are you in the business of making debt or equity investments in private businesses or employed by a company that does?
2. Are you a partner, shareholder, member, owner, or employee of the business you are investing in?
3. Have you, a family member, or any other person or company affiliated with you ever received compensation from the qualified small business you are investing in?
4. Have you previously made an investment in the certified small business and received a Qualified Equity and Subordinate Debt Investments Tax Credit for that investment?
5. Are you subject to Virginia income tax?

If you have made a qualified investment in a small business, as certified by the Virginia Department of Business Assistance (DBA), in the form of equity or subordinated debt, submit this application with DBA. The grant is equal to 10 percent of the qualified investment.

The grant will be awarded after the DBA verifies from the small business that the investment has been made. The investment shall remain in the certified small business for a minimum of two years. Any investor that fails to hold the investment for the minimum period of time will forfeit the grant and will pay DBA the interest on the grant at the rate of one percent a month, compounded monthly, from the date the grant was awarded to the investor.

Section III. Business Entity Information

Legal Name ("Business"): _____

Trade Name (if any): _____

Street Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Section IV. Issuance Information

Type of Instrument	Amount Invested	Date of Investment
Equity	\$: _____	Date: _____
Subordinated Debt	\$: _____	Date: _____

Section V. Declaration

Under penalty of law, I have read and understand the requirements and restrictions set forth for this application and the associated grant. I certify that I have made the investment in the named small business on this application.

I understand that should I withdraw my investment, I shall forfeit the grant and shall pay DBA the interest on the total allowed grant at the rate of one percent per month, compounded monthly from the date the grant was awarded to me. This payment shall commence within 30 days of written notice from the Virginia Department of Business Assistance.

I understand that I would not have to repay the grant if I transfer the equity received in connection with my investment as a result of the liquidation of the small business that issued the equity; a merger, consolidation, or other acquisition of such business with or by a party not affiliated with such business; or the death of the eligible investor.

I understand that I am required to maintain any and all documents related to the investment. Should an audit be performed at the end of the required investment period, I shall provide any and all records necessary in the performance of such audit, or as reasonably requested throughout the duration of the grant to verify the qualified investment. I understand that I will be liable under the Virginia Fraud Against Taxpayer Act (§ 8.01-216.1 et. seq) and other applicable law for knowingly providing false information on this application. I further understand that I am liable to repay the award should I not meet the requirements of Va. Code § 2.2-904.3 (F) & (I)

Name: _____
First M.I. Last

Title: _____

Phone: _____ Fax: _____

Email: _____

Small Business Investment Grant Fund

Instructions for Eligible Investor Certification Application Form Certification for Calendar Year 2012

Beginning with the 2012 calendar year, the total amount of grants is limited to \$1.5 million.

When to Submit Application

Applications can be downloaded and submitted during any time during the 2012 and 2013 calendar years. The date received by the Virginia Department of Business Assistance (DBA) will be the date used to determine order in which the grant will be given.

What to Attach

Along with the application, please attach the following items:

- The investor's name;
- A copy of the letter from DBA certifying the small business.
- A statement by the small business, on business letterhead containing:
 - The investors name;
 - The investment amount;
 - The investment type;
 - The investment date;
- Verification that the investment meets the definition of a qualified investment for purposes of claiming the grant pursuant to Va. Code §2.2-904.3, et seq.
- As the holder of the investment, you or any of your family members, or any entity affiliated with you, do not and have not received compensation from the qualified business in exchange for services provided to such business as an employee, officer, director, manager, independent contractor, or otherwise in connection with or within one year before or after the date of such investment. For the purposes hereof, reimbursement of reasonable expenses incurred shall not be deemed to be compensation.
- The statement provided to an eligible investor must be signed by a company officer.

For married investors, the credit cannot be issued jointly. The investment must be made individually and a separate application must be provided by each spouse.

Where to Submit Application

Submit the application and attachments to the Virginia Department of Business Assistance, ATTN Investment Grant Fund, 1220 Bank Street, 3rd Floor, Richmond, VA, 23219 for fax to 804-371-8111.

What to Expect from the Department of Business Assistance

All applicants will receive a letter from DBA acknowledging their application. DBA will review all applications for completeness and notify the applicant if additional information is necessary. DBA will send a letter to an eligible investor who qualifies for the grant and when to expect the grant.

Required Investor Holding Period

- Equity received in connection with a qualified business investment must be held by the taxpayer for at least 2 calendar years following the date the investment was made.
- Subordinated debt received in connection with a qualified business investment must be held by the taxpayer for at least two years from the date the investment was made.
- Holding Period Exception – the liquidation of the small business issuing such equity, the merger, consolidation, or other acquisition of such business with or by a party not affiliated with such business, or the death of the eligible investor.

Penalty for Not Meeting the Required Holding Period

If the required holding period is not met, the eligible investor shall forfeit the grant and must repay the grant, plus interest in the amount of one percent, compounded monthly from the date the grant was issued.

Where to Get Help

Write to:
Virginia Department of Business Assistance,
ATTN Investment Grant Fund
1220 Bank Street, 3rd Floor
Richmond, VA, 23219

You can contact DBA by fax at 804-371-8111 or call DBA at 804-381-8200.